

**A RESOLUTION
BY FINANCE/ EXECUTIVE COMMITTEE**

A RESOLUTION AUTHORIZING THE CITY AUDITOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH KPMG FOR THE PROVISION OF INDEPENDENT QUALITY ASSURANCE SERVICES FOR THE ENTERPRISE RESOURCE PLANNING PROGRAM ON BEHALF OF THE CITY AUDITOR'S OFFICE, IN AN AMOUNT NOT TO EXCEED SIX HUNDRED FOUR THOUSAND DOLLARS AND NO CENTS (\$604,000.00); ALL CONTRACTED WORK SHALL BE CHARGED TO AND PAID FROM FUND, ACCOUNT AND CENTER NUMBERS 1C51 (CAPITAL FINANCE FUND) 524001 (CONSULTANT/PROFESSIONAL SERVICES) T33401 (ENTERPRISE RESOURCE PLANNING PROJECT); AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") solicited Requests for Quotations from qualified firms for the Oracle Enterprise Resource Planning Project ("ERP Project) contract; and

WHEREAS, one of the key components of the ERP Project is to have an independent firm provide an objective assessment of the implementation; and

WHEREAS, the contract for quality assurance services will not only conduct a 90 day post-implementation review of the system but will also assess the following: 1) the current state of the implementation, 2) whether the city can meet its scheduled go-live dates, and 3) the implementation status of recommendations issued by the city auditor on system controls; and

WHEREAS, there were two responsive bidders who responded to the Request for Quotations; and

WHEREAS, both responsive bidders had previously worked on the ERP project; and

WHEREAS, Tescom performed independent validation and verification work and KPMG did an implementation assessment; and

WHEREAS, Tescom would use subcontractors to perform the work because they did not have the in-house expertise needed and KPMG have the staff familiar with the ERP project and experienced in the type of review necessary to sufficiently perform the contract; and

WHEREAS, the same persons previously on the project from KPMG would be involved in the quality assurance review; and

WHEREAS, the Chief Procurement Officer, in consultation with the City Auditor, has determined that an unusual or unique situation exists that makes the application of all

requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest and, as such, deems it necessary and in the best interests of the City that the contract be awarded to KPMG in an amount not to exceed Six Hundred Four Thousand Dollars and No Cents (\$604,000.00).

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the City Auditor be and is hereby authorized to enter into an appropriate contractual agreement with KPMG, pursuant to §2-1191.1 (Special Procurement) of Article X, Procurement and Real Estate Code of the City of Atlanta, Code of Ordinances, for the provision of independent quality assurance services for the Enterprise Resource Planning Program on behalf of the City Auditor's Office, in an amount not to exceed Six Hundred Four Thousand Dollars and No Cents (\$604,000.00);

BE IT FURTHER RESOLVED, that said agreement shall be for the period from September 10, 2007 through and including April 30, 2008.

BE IT FURTHER RESOLVED that the Chief Procurement Officer is directed to take any other further action to execute, acknowledge and deliver any other instruments and documents as desirable and appropriate to consummate this transaction and effectuate the intent of this resolution.

BE IT FURTHER RESOLVED that the contract will not become binding on the City and the City will incur no obligation or liability under it until it has been executed by the City Auditor, attested to by the Municipal Clerk, approved as to form by the City Attorney and delivered to KPMG.

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Legislative Counsel (Signature): M. Theresa Stewart

Contact Number: x6207/x6727

Originating Department: City Auditor's Office

Committee(s) of Purview: Finance/Executive

Council Deadline: August 20, 2007

Anticipated Committee Meeting Date(s): August 29, 2007

Anticipated Full Council Date: September 4, 2007,

Commissioner Signature

Chief Procurement Officer Signature:

CAPTION

A RESOLUTION

BY FINANCE/ EXECUTIVE COMMITTEE

A RESOLUTION AUTHORIZING THE CITY AUDITOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH KPMG FOR THE PROVISION OF INDEPENDENT QUALITY ASSURANCE SERVICES FOR THE ENTERPRISE RESOURCE PLANNING PROGRAM ON BEHALF OF THE CITY AUDITOR'S OFFICE, IN AN AMOUNT NOT TO EXCEED SIX HUNDRED FOUR THOUSAND DOLLARS AND NO CENTS (\$604,000.00); ALL CONTRACTED WORK SHALL BE CHARGED TO AND PAID FROM FUND ACCOUNT AND CENTER NUMBERS 1C51 (CAPITAL FINANCE FUND) 524001 (CONSULTANT/PROFESSIONAL SERVICES) T33401 (ENTERPRISE RESOURCE PLANNING PROJECT); AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any):

Mayor's Staff Only

Received by CPO:

(date)

Received by LC from CPO:

(date)

Received by Mayor's Office:

(date)

Reviewed by:

(date)

Submitted to Council:

(date)

Part II: Legislative White Paper

A. To be completed by Legislative Counsel:

Committee of Purview: Finance/Executive

Caption: A RESOLUTION
BY FINANCE/ EXECUTIVE COMMITTEE

A RESOLUTION AUTHORIZING THE CITY AUDITOR TO ENTER INTO AN APPROPRIATE CONTRACTUAL AGREEMENT WITH KPMG FOR THE PROVISION OF INDEPENDENT QUALITY ASSURANCE SERVICES FOR THE ENTERPRISE RESOURCE PLANNING PROGRAM ON BEHALF OF THE CITY AUDITOR'S OFFICE, IN AN AMOUNT NOT TO EXCEED SIX HUNDRED FOUR THOUSAND DOLLARS AND NO CENTS (\$604,000.00); ALL CONTRACTED WORK SHALL BE CHARGED TO AND PAID FROM FUND ACCOUNT AND CENTER NUMBERS 1C51 (CAPITAL FINANCE FUND) 524001 (CONSULTANT/PROFESSIONAL SERVICES) T33401 (ENTERPRISE RESOURCE PLANNING PROJECT); AND FOR OTHER PURPOSES.

Council Meeting Date: September 4, 2007

Requesting Dept.: City Auditor's Office

B. To be completed by the department:

- 1. Please provide a summary of the purpose of this legislation (Justification Statement).**
- 2. Please provide background information regarding this legislation.**

One of the key components of the Oracle ERP implementation is to have an independent firm provide an objective assessment of the implementation. This contract for quality assurance services will assess the current state of the implementation, assess whether the city can be expected to meet its scheduled go-live dates, assess the city's readiness to support the system effectively after launch, assess the implementation status of recommendations issued by the city auditor on system controls. Additionally, this contract will conduct a 90-day post-implementation review of the system. KPMG's report on the ERP implementation recommended that the quality assurance services role should not be aligned with the department of information

technology but rather aligned with the city auditor's office so it could truly act as an independent association to the project. The ERP steering committee concurred with KPMG's recommendation. This contract will ensure that this recommendation is implemented.

3. If Applicable/Known:

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):** Professional Services
- (b) **Source Selection:** RFQ
- (c) **Bids/Proposals Due:** 08/23/07
- (d) **Invitations Issued:** 08/16/07
- (e) **Number of Bids:**
- (f) **Proposals Received:** 2
- (g) **Bidders/Proponents:** 2
- (h) **Term of Contract:** 9/10/07 – 4/30/08

4. Fund Account Center (Ex. Name and number): Fund: 1C51 (Capital Finance Fund), Account: 524001 (Consultant/Professional Services), Center: T33401 (ERP Project)

Fund: _____ **Account:** _____ **Center:** _____

5. Source of Funds: *Example: Local Assistance Grant* GMA

6. Fiscal Impact: \$604,000

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By: Gerald Schaefer, City Auditor's Office